

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

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COUNTRY	East Germany	REPORT	
SUBJECT	Penicillin Supply	DATE DISTR.	23 April 1953
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East German penicillin production increased so much that it has been difficult to dispose of it at the price of 18 DM Ost per million units. There is at present a surplus of about three billion units. A proposal to lower the price to 7.50 DM Ost per million units was made to the Ministry of Finance. Penicillin could then be used by many doctors and hospitals that are limited to a prescribed budget for pharmaceutical supplies. The reduction of the factory price to 7.50 DM Ost was officially approved, but immediately an excise tax of 10 DM Ost was superimposed on the 7.50 DM Ost, which left the actual price practically unchanged. The bad financial situation of the East German Government which makes it impossible for the government to forego any source of revenue is reported to be the reason for this action.

25 YEAR RE-REVIEW

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